



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
UTAH STATE OFFICE  
324 SOUTH STATE, SUITE 301  
SALT LAKE CITY, UTAH 84111-2303

IN REPLY REFER TO

3504  
U-37863 et al.  
(U-942)

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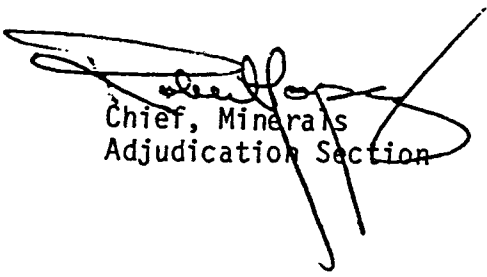
DIVISION OF  
OIL, GAS & MINING

## DECISION

Crystal Peak Minerals Corporation	:	Potassium
c/o Pruitt, Gushee & Fletcher	:	U-37863 through U-37912
Suite 1850 Beneficial Life Tower	:	
Salt Lake City, UT 84111	:	

### Bond Accepted

A \$53,000.00 statewide mineral lease bond (No. 8112-68-53) covering potassium prospecting permits U-37863 through U-37912, inclusive, with Crystal Peak Minerals Corporation as principal and Federal Insurance Company as surety, was filed with this office on January 22, 1987. The bond has been examined, found to meet the requirements of 43 CFR 3504.1-5, and is accepted as of the date of filing.

  
Chief, Minerals  
Adjudication Section

0002

THIS BOND EXECUTE ( ) DUPLICATE

Bond No. 8112-68-53

Form 3104-3  
(July 1974)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Serial Number

STATEWIDE OR NATIONWIDE MINERAL LEASE BOND  
(EXCEPT OIL AND GAS)

KNOW ALL MEN BY THESE PRESENTS, That we,  
CRYSTAL PEAK MINERALS CORPORATION

of the county of Salt Lake , in the State of Utah  
as principal, and FEDERAL INSURANCE COMPANY , of the county of Somerset  
in the State of New Jersey , as surety, are held and firmly bound unto the United States  
of America in the sum of Fifty Three Thousand and No/100-----

( \$ 53,000.00 ) lawful money of the United States, for which payment, well and truly to be made,  
we, by these presents, bind ourselves, and each of us, and each of our heirs, executors, administrators, successors,  
and assigns, jointly and severally, upon the following conditions, viz;

If the amount of this bond is \$75,000, or if it is raised by an attached rider to that amount, coverage shall extend to  
all the principal's holdings involving deposits in the United States, including Alaska, under the  
Act or Acts cited in Schedule A.

If the amount of this bond is \$25,000, its coverage extends only to the principal's holdings involving Potassium  
deposits in the State named in Schedule A. Furthermore, such coverage is confined to the holdings under the Public  
Domain Leasing Act of February 25, 1920 (41 Stat. 437) as amended.

SCHEDULE A

Public Domain Leasing Act of February 25, 1920 (41 Stat. 437) as amended and supplemented (30 U.S.C. 181-287)		Acquired Lands Leasing Act of August 7, 1947 (61 Stat. 913; 30 U.S.C. 351-359)	
NAME OF STATE	LEASE NUMBER	NAME OF STATE	LEASE NUMBER
Utah	See attached		

The conditions of the foregoing obligations are such that, whereas the said principal, in one or more of the following ways, has an interest in mineral leases issued under the Act or Acts cited in Schedule A of this bond:

1. as the lessee of such leases;
2. as the approved holder of operating rights in all or part of the lands covered by such leases under operating agreements with the lessees; and
3. as designated operator or agent under such leases pending approval of an assignment or operating agreement; and

WHEREAS the principal is authorized to drill for, mine, extract, remove, and dispose of mineral deposits in or under the lands covered by the leases, operating

agreements or designations, and is obligated to comply with certain covenants and agreements set forth in such instruments; and

WHEREAS the principal agrees that the coverage of this bond, in addition to the present holdings of the principal shall extend to and include:

1. Any mineral lease hereafter issued to, or acquired by, the principal affecting mineral deposits in the State or States now named in Schedule A, or later named in a rider, the coverage to be confined in the principal's holdings under the Act or Acts cited at the head of the column in which the name(s) of the State or States appears and to become effective immediately upon such issuance or upon departmental approval of a transfer in favor of the principal.

2. Any operating agreement hereafter entered into or acquired by the principal, affecting mineral deposits in the States now named in Schedule A, or later named in a rider, relating to mineral leases issued under the Act or Acts cited in Schedule A at the head of the column in which the name of the State is placed. The coverage shall become effective immediately upon departmental approval of the agreement or of a transfer of an operating agreement to the principal.

3. Any designation subsequent hereto of the principal as operator or agent of a lessee under a lease issued pursuant to an Act or Acts cited in Schedule A and covering lands in a State named in Schedule A, either presently or by rider. This coverage shall become effective immediately upon the filing of such a designation under a lease.

4. Any extension of a lease covered by this bond, such coverage to continue without any interruption due to the expiration of the term set forth in the lease.

WHEREAS the principal hereby agrees that notwithstanding the termination of any lease or leases, operating agreements or designations as operator or agent, covered by this bond, whether the termination is by operation of law or otherwise, the bond shall remain in full force and effect as to any remaining leases, operating agreements, or designations covered by the bond; and

WHEREAS the principal as to any lease or part of a lease for lands as to which he has been designated as operator or agent, or approved as operator, in consideration of being permitted to furnish this bond in lieu of

the lessees, agreed and by these presents does hereby bind himself to fulfill, on behalf of each lessee, all the obligations of each such lease for the entire leasehold in the same manner and to the same extent as though he were the lessee; and

WHEREAS the principal agrees that notwithstanding any use of the security pledged herewith for the purpose for which it is pledged, the bond shall remain in full force and effect in the sum above set forth and that he will, whenever so required by the lessor, deposit additional security to bring the security up to the full amount; and

WHEREAS the principal agrees that the neglect or forbearance of said lessor in enforcing, as against the lessees of such lessor, the payment of rentals or royalties or the performance of any other covenant, condition, or agreement of the leases, shall not, in any way, release the principal from any liability under this bond; and

WHEREAS the principal agrees that in the event of any default under the leases, the lessor may commence and prosecute any claim, suit, action, or other proceeding against the principal without the necessity of joining the lessees.

NOW, THEREFORE, If said principal shall in all respects faithfully comply with all of the provisions of the leases referred to hereinbefore, then the above obligations are to be void; otherwise to remain in full force and effect.

Signed on this 14th day of January, 1987, in the presence of:

CRYSTAL PEAK MINERALS CORPORATION

By: William V. H. Clark  
(Signature of Principal)

c/o Pruitt, Gushee & Fletcher  
1850 Beneficial Life Tower  
Salt Lake City, Utah 84111

(Address of Principal, include zip code)

[SEAL]

FEDERAL INSURANCE COMPANY

By: Philip N. Bair  
(Signature of Surety) Attorney-in-Fact

1990 Post Oak Boulevard  
Suite 1100  
Houston, Texas 77056

(Business Address of Surety, include zip code)

If this bond is executed by a corporation, it must bear the seal of such corporation

GPO 830-711

SCHEDULE A

Serial No.

U-37875	U-37876	U-37877
U-37878	U-37879	U-37880
U-37881	U-37882	U-37883
U-37884	U-37885	U-37886
U-37887	U-37863	U-37864
U-37865	U-37866	U-37867
U-37868	U-37869	U-37870
U-37871	U-37872	U-37873
U-37874	U-37888	U-37889
U-37890	U-37891	U-37892
U-37893	U-37894	U-37895
U-37896	U-37897	U-37898
U-37899	U-37900	U-37901
U-37902	U-37903	U-37904
U-37905	U-37906	U-37907
U-37908	U-37909	U-37910
U-37911	U-37912	

## POWER OF ATTORNEY

Know all Men by these Presents, That the FEDERAL INSURANCE COMPANY, 15 Mountain View Road, Warren, New Jersey, a New Jersey Corporation, has constituted and appointed, and does hereby constitute and appoint Albert W. Smith, N. Carothers, Charles F. Layton, Jr., Phillip N. Bair, Phyllis Ramirez, Janie Cantu, Lynn B. Mathes and Margaret Buboltz of Houston, Texas-----

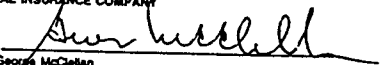
each its true and lawful Attorney-in-Fact to execute under such designation in its name and to affix its corporate seal to and deliver for and on its behalf as surety thereon or otherwise, bonds or obligations given or executed in the course of its business, and any instruments amending or altering the same, and consents to the modification or alteration of any instruments referred to in said bonds or obligations.

In Witness Whereof, the said FEDERAL INSURANCE COMPANY has, pursuant to its By-Laws, caused these presents to be signed by its Assistant Vice-President and Assistant Secretary and its corporate seal to be hereto affixed this 16th day of July 19 85

Corporate Seal

  
Richard D. O'Connor  
Assistant Secretary

FEDERAL INSURANCE COMPANY  
By

  
George McClellan  
Assistant Vice-President

STATE OF NEW JERSEY }  
County of Somerset } SS.

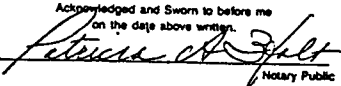
On the 16th day of July 19 85, before me personally came Richard D. O'Connor to me known and by me known to be Assistant Secretary of the FEDERAL INSURANCE COMPANY, the corporation described in and which executed the foregoing Power of Attorney, and the said Richard D. O'Connor being by me duly sworn, did depose and say that he is Assistant Secretary of said Company, and that he signed said Power of Attorney as Assistant Secretary of said Company by like authority; and that he is acquainted with George McClellan and knows him to be the Assistant Vice-President of said Company, and that the signature of said George McClellan subscribed to said Power of Attorney is in the genuine handwriting of said George McClellan and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



STATE OF NEW JERSEY }  
County of Somerset } SS.

CERTIFICATION

Attest and Sworn to before me  
on the date above written.  
  
Notary Public  
PATRICIA A. HOLT  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires March 14, 1990

I, the undersigned, Assistant Secretary of the FEDERAL INSURANCE COMPANY, do hereby certify that the following is a true excerpt from the By-Laws of the said Company as adopted by its Board of Directors on March 11, 1953 and most recently amended March 11, 1983 and that this By-Law is in full force and effect.

### "ARTICLE XVIII.

Section 2. All bonds, undertakings, contracts and other instruments other than as above for and on behalf of the Company which it is authorized by law or its charter to execute, may and shall be executed in the name and on behalf of the Company either by the Chairman or the Vice-Chairman or the President or a Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations, except that any one or more officers or attorneys-in-fact designated in any resolution of the Board of Directors or the Executive Committee, or in any power of attorney executed as provided for in Section 3 below, may execute any such bond, undertaking or other obligation as provided in such resolution or power of attorney.

Section 3. All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the Vice-Chairman or the President or a Vice-President or an Assistant Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed."

I further certify that said FEDERAL INSURANCE COMPANY is duly licensed to transact fidelity and surety business in each of the States of the United States of America, District of Columbia, Puerto Rico, and each of the Provinces of Canada with the exception of Prince Edward Island, and is also duly licensed to become sole surety on bonds, undertakings, etc., permitted or required by law.

I, the undersigned Assistant Secretary of FEDERAL INSURANCE COMPANY, do hereby certify that the foregoing Power of Attorney is in full force and effect.

Given under my hand and the seal of said Company at Warren, N.J., this 14th day of January 19 87

Corporate Seal



  
Assistant Secretary

SPECIAL STIPULATIONS  
POTASSIUM PREFERENCE RIGHT LEASES  
U-37863 THROUGH U-37912

1. The dust from the Black Rock Road, parking lots, and other roads will be reduced by spraying Magnesium Chloride on the smooth surface.
2. The borrow pits will be sloped and shaped so the pits will appear a wide spot in a draw. Each borrow pit will be designed with a livestock/wildlife pond in it which shall catch precipitation runoff. The catchment ponds will be built so animals could enter the water, drink and safely exit. Once construction is completed and equipment is not disturbing the soil, all areas which are not occupied by roads, structures, parking lots, powerline, etc. will be seeded with the following mix:

<u>SEED</u>	<u>POUNDS PER ACRE</u>
Indian Ricegrass	$\frac{1}{2}$
Prostrate Kosha	1
Ephraim Crested Wheatgrass	3
Winterfat	$\frac{1}{2}$

This seed will not be used in areas of high salt concentration, i.e., on dikes or near the salt storage piles, but all viable areas, i.e., borrow pits, well field, powerline, etc. will be seeded.

Top soil from the borrow pits will be stockpiled, then spread over the pits as part of the site rehabilitation.

3. Crystal Peak Minerals Corporation shall place a water tap in the process water line so BLM can supply water to livestock/wildlife.
4. Crystal Peak Minerals Corporation will insure that eagle perches will be built every .5 mile along the powerline. The perches would be built in accordance with REA Bulletin 61-10, Figure 5. This construction would provide a safe roost for eagles.
5. The collection ditches will not be built any further north than necessary and the ditch berms north of the needle point dike will be spread out so they are fairly flat. The dikes throughout the project will be kept to a minimum height as needed for the project. Dikes, buildings, and other structures will be built with materials and colors that blend with the surrounding landscape. The powerline will be constructed with wood poles to blend into the surroundings.
6. If previously unknown cultural or paleontological values are discovered during construction, (i.e., excavation) all work will stop and the District Archaeologist will be called to clear the problem.

7. Upon abandonment of the salt extraction operation, the processing plant and associated facilities located on State land (Section 16, under a lease) will be removed. The earth will be returned to a natural contour and reseeded to specifications of the State of Utah.
8. The dikes and ponds on BLM land will be restored. If the lake level is high, the dikes will be breached so that wave action would reduce the dikes to the flat bottom of the lake. If the lake is dry, the dike material will be spread to the flat contour of the lake bed. All structures will be removed and the surface returned to a natural contour. The process water wells, if still functional, will become the property of BLM. All disturbed areas will be seeded with the seed mix specified in the soils section of the mitigation portion of the EA.
9. The lessee will comply with all State and Federal clear air and water quality regulations and laws.

CRYSTAL PEAK MINERALS CORPORATION

By: \_\_\_\_\_  
Lessee's Signature  
William V.H. Clarke  
Vice President